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**The Louisiana Alliance  
For Arts Education**

Baton Rouge, Louisiana

*Compiled Financial Statements  
and Supplementary Information*

Year Ended June 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/12/08

Johnston & Hayden, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

## CONTENTS

|  | <u>Page</u> |
|--|-------------|
| Accountants' Compilation Report                                      | 3           |
| Statement of Financial Position                                      | 4           |
| Statement of Activities  | 5           |
| Statement of Cash Flows  | 6           |
| Selected Notes to the Financial Statements                           | 7           |
| Schedule of Findings and Questioned Costs                            | 8           |
| Supplementary Information:   |             |
| Schedule I - Schedule of Program and Management and General Expenses | 10          |

# Johnston & Hayden, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
The Louisiana Alliance for Arts Education  
Baton Rouge, Louisiana

We have compiled the accompanying statement of financial position of The Louisiana Alliance for Arts Education (a nonprofit organization) as of June 30, 2005, and the related statements of activities and cash flows for the years then ended, and the accompanying supplementary information contained in Schedule I, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

As discussed in the selected notes to the financial statements, certain conditions indicate that the Organization may be unable to continue as a going concern. The accompanying financial statements do not include any adjustments to the financial statements that might be necessary should the Organization be unable to continue as a going concern.

January 16, 2007



THE LOUISIANA ALLIANCE FOR ARTS EDUCATION  
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

June 30, 2005

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ASSETS

CURRENT:

|                           |               |
|---------------------------|---------------|
| Cash and cash equivalents | \$ 32,810     |
| Grants receivable         | <u>1,697</u>  |
| Total Current Assets      | <u>34,507</u> |

PROPERTY AND EQUIPMENT:

|                                |              |
|--------------------------------|--------------|
| Office furniture and equipment | 4,614        |
| Less accumulated depreciation  | <u>3,676</u> |
| Net Property and Equipment     | <u>938</u>   |

|              |                  |
|--------------|------------------|
| TOTAL ASSETS | \$ <u>35,445</u> |
|--------------|------------------|

UNAUDITED – See accountants' compilation report.

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**LIABILITIES**

**CURRENT:**

|                        |    |               |
|------------------------|----|---------------|
| Accounts payable       | \$ | 26,086        |
| Payroll taxes payable  |    | 1,421         |
| Unearned grant revenue |    | <u>12,772</u> |

|                                 |  |               |
|---------------------------------|--|---------------|
| TOTAL LIABILITIES (all current) |  | <u>40,279</u> |
|---------------------------------|--|---------------|

**NET ASSETS**

|                        |                  |
|------------------------|------------------|
| Permanently restricted | -                |
| Temporarily restricted | -                |
| Unrestricted           | ( <u>4,834</u> ) |

|                  |                  |
|------------------|------------------|
| TOTAL NET ASSETS | ( <u>4,834</u> ) |
|------------------|------------------|

|                                  |                         |
|----------------------------------|-------------------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ <u><u>35,445</u></u> |
|----------------------------------|-------------------------|

THE LOUISIANA ALLIANCE FOR ARTS EDUCATION  
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

Year Ended June 30, 2005

|                                   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> |
|-----------------------------------|---------------------|-----------------------------------|
| REVENUES AND SUPPORT:             |                     |                                   |
| State grants                      | \$ 72,518           | \$ -                              |
| Federal grants                    | 14,200              | -                                 |
| Public support                    | 6,900               | -                                 |
| Investment income                 | 26                  | -                                 |
| Other revenues                    | <u>14,004</u>       | <u>-</u>                          |
| Total Support and Revenues        | <u>107,648</u>      | <u>-</u>                          |
| EXPENSES:                         |                     |                                   |
| Program services:                 |                     |                                   |
| Advocacy                          | -                   | -                                 |
| Assessment                        | -                   | -                                 |
| Louisiana Folklife                | 69,408              | -                                 |
| Professional development          | -                   | -                                 |
| Resource directory                | <u>-</u>            | <u>-</u>                          |
| Total program services            | <u>69,408</u>       | <u>-</u>                          |
| Support services:                 |                     |                                   |
| Management and general            | <u>27,602</u>       | <u>-</u>                          |
| Total Expenses                    | <u>97,010</u>       | <u>-</u>                          |
| INCREASE (DECREASE) IN NET ASSETS | 10,638              | -                                 |
| NET ASSETS, beginning of year     | ( <u>15,472</u> )   | <u>-</u>                          |
| NET ASSETS, end of year           | \$ ( <u>4,834</u> ) | \$ <u>-</u>                       |

UNAUDITED – See accountants' compilation report.

THE LOUISIANA ALLIANCE FOR ARTS EDUCATION  
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

Year Ended June 30, 2005

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CASH FLOWS FROM OPERATING ACTIVITIES:

|  |              |
|--|--------------|
| Change in net assets:  |              |
| Temporarily restricted   | \$ -         |
| Unrestricted   | 10,638       |
| Adjustments to reconcile change in net assets to<br>cash provided by operating activities: |              |
| Depreciation   | 706          |
| (Increase) decrease in:  |              |
| Grants receivable  | 24,797       |
| Increase (decrease) in:  |              |
| Accounts payable   | ( 8,347)     |
| Unearned grant revenues  | ( 17,500)    |
| Other current liabilities  | <u>1,013</u> |

NET INCREASE IN CASH 11,307

CASH AND CASH EQUIVALENTS, beginning of year 21,503

CASH AND CASH EQUIVALENTS, end of year \$ 32,810

Cash payments for interest and income taxes:

|              |                     |
|--------------|---------------------|
| Interest     | \$ <u><u>90</u></u> |
| Income taxes | \$ <u><u>-</u></u>  |

Noncash investing and financing activities:

None

UNAUDITED – See accountants' compilation report.

THE LOUISIANA ALLIANCE FOR ARTS EDUCATION  
Baton Rouge, Louisiana

SELECTED NOTES TO THE FINANCIAL STATEMENTS

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**GOING CONCERN**

Certain conditions indicate that the Organization may be unable to continue as a going concern. Those conditions and management's plans to deal with these circumstances are discussed below.

The Organization receives a substantial portion of its operating revenues from programs funded through federal and state grants. As of June 30, 2005, the Organization was notified that these programs would no longer be funded due to budgetary constraints. Additionally, the Organization's Executive Director resigned and the position has not been filled as of the issuance of these financial statements.

Management has elected to curtail the activities of the Organization until such time additional sources of funding become available. In relation to these curtailed activities, the position of Executive Director has not been filled as of the issuance of these financial statements, and the Organization has been substantially inactive from the date of the accompanying financial statements through the date of issuance of these reports.



THE LOUISIANA ALLIANCE FOR ARTS EDUCATION  
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2005

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FINDING NO. 05-1 – COMPILATION REPORT

Condition: The organization did not submit a complete set of compiled financial statements to the Louisiana Legislative Auditor within the period prescribed by applicable regulations. The submission of these financial statements will meet the submission requirement.

Criteria: The organization's compiled financial statements should be submitted to the Louisiana Legislative Auditor within six months of the end of the Organization's fiscal year (Louisiana Revised Statutes 24:514).

Cause: As disclosed in the Selected Notes to the Financial Statements, the organization was notified that its programs being funded through federal and state grants would no longer be funded, and the programs were curtailed subsequent to the balance sheet date. Additionally, the organization's Executive Director resigned, and the position has not been filled as of the issuance of this report. As a result of these factors, the Organization was unable to comply with the aforementioned requirements.

Effect: The organization is responsible for compliance with the reporting and submission requirements and is not in compliance with such requirements.

Recommendation: The submission of this report will satisfy the organization's reporting and submission requirements for the fiscal year ended June 30, 2005. It is recommended that the Organization make adequate plans to submit future reports in a timely manner.

## SUPPLEMENTARY INFORMATION

THE LOUISIANA ALLIANCE FOR ARTS EDUCATION  
Baton Rouge, Louisiana

SCHEDULE OF PROGRAM AND MANAGEMENT AND GENERAL EXPENSES

Year Ended June 30, 2005

|                          | <u>Program<br/>Expenses</u> | <u>Management<br/>and General<br/>Expenses</u> |
|--------------------------|-----------------------------|--|
| Advertising              | \$ 81                       | \$ -   |
| Bank charges             | 59                          | -  |
| Contracted services      | 56,129                      | -  |
| Depreciation             | -                           | 706  |
| Dues and subscriptions   | 295                         | -  |
| Interest                 | 90                          | -  |
| Internet services        | 269                         | -  |
| Miscellaneous            | 80                          | 581  |
| Office expense           | 296                         | -  |
| Payroll expenses         | -                           | 26,315   |
| Postage                  | 750                         | -  |
| Printing and copying     | 697                         | -  |
| Rent                     | 150                         | -  |
| Supplies                 | 5,052                       | -  |
| Telephone                | 1,512                       | -  |
| Travel and entertainment | <u>3,948</u>                | <u>-</u>                                       |
|                          | \$ <u><u>69,408</u></u>     | \$ <u><u>27,602</u></u>                        |

UNAUDITED – See accountants' compilation report.